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February 3, 2003

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APPLICATION

Honorable James H. Welsh
Commissioner of Conservation
Louisiana Office of Conservation
P. O. Box 94275
Baton Rouge, LA 70804-4275

RE: Exposito Zone, Reservoir A
Bourg Zone, Reservoir A
Bay Baptiste Field
Terrebonne Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **DENBURY RESOURCES, INC.** for the calling of a public hearing, after thirty (30) days legal notice, to consider evidence relative to the issuance of Orders pertaining to the following matters in the **Exposito Zone, Reservoir A** and the **Bourg Zone, Reservoir A**, in the Bay Baptiste Field, Terrebonne Parish, Louisiana, to-wit:

1. To establish rules and regulations and to create a single drilling and production unit for the exploration for and production of gas and condensate from each of the referenced reservoirs to be designated EXPOSITO RA SUA and BOURG RA SUA;

2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed units, with each tract sharing in unit production on a surface acreage basis of participation;
3. To designate Denbury Resources, Inc. as the unit operator for each of the proposed units;
4. To designate the Denbury Resources Inc. - S.L. 17234 No. 1 (ST) as the unit well for each of the proposed units;
5. To provide that the Commissioner of Conservation should be authorized to reclassify the Exposito Zone, Reservoir A and the Bourg Zone, Reservoir A by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation; and,
6. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Exposito Zone in the Bay Baptiste Field, Terrebonne Parish, Louisiana, is hereby defined as that gas and condensate bearing zone encountered between the depths of 10,898 feet and 11,289 feet, electric log measurements (10,844 feet and 11,194 feet subsea), in the Denbury Resources, Inc - S.L. 17234 No. 1 (ST) Well, located in Section 6, Township 21 South, Range 19 East, Terrebonne Parish, Louisiana.

The Bourg Zone in the Bay Baptiste Field, Terrebonne Parish, Louisiana, is hereby defined as that gas and condensate bearing zone encountered between the depths of 11,933 feet and 12,234 feet, electric log measurements (11,767 feet and 12,034 feet subsea), in the Denbury Resources, Inc - S.L. 17234 No. 1 (ST) Well, located in Section 6, Township 21 South, Range 19 East, Terrebonne Parish, Louisiana.

The pre-application conference tentatively scheduled for Wednesday, February 12, 2003, **WILL NOT BE HELD**, as it was not requested within the delays provided for by the Rules of Procedure; therefore, no opposition to this Application at the hearing is anticipated.

Pertinent data relating to the proposed application can be obtained, AT THE COST OF THE REQUESTING PARTY, by contacting Holmes Smart, 200 Audubon Blvd., Lafayette, Louisiana 70503 (337)232-4031.

There is attached hereto and made a part hereof plats outlining the proposed units and a list of the names and addresses of the parties to whom this unitization proposal is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, the list of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, enclosed herein is our check in the amount of \$1,510.00 made payable to the Office of Conservation in payment of the required hearing application fee.

Very truly yours,


RANDALL C. SONGY

RCS/elg/bad

Enclosures

cc: Mr. Richard Hudson, District Manager
Office of Conservation

All Interested Owners, Interested Parties and
Represented Parties

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EXPOSITO RA SUA
S. L. 17234 No. 1
± 71 ACRES

X = 2,244,643.55
Y = 257,835.41

Denbury
SL 17234
1 (ST)

12145' MD
11981' VD

Zeit
Fina 1
12504'

6

5

Denbury
SL 17234

11237' MD
10624' VD

Zeit
Fina 2
13460'

Goodrich
SL 14440
10891'

8

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EXHIBIT NO.
DOCKET NO.

DATE:

DENBURY RESOURCES, INC.
DALLAS, TEXAS

BAY BAPTISTE FIELD
TERREBONNE PARISH, LOUISIANA

PROPOSED UNIT
EXPOSITO ZONE

0 1000' 2000'

GRAPHICS BY: GEOLAND GRAPHICS, LLC LAFAYETTE, LA (337) 233-1887

FRANK W. HARRISON, JR.
CONSULTING GEOLOGIST - LAFAYETTE, LOUISIANA

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